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Message Text

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ORIGIN AF-08

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00 DODE-00
DOTE-00 EB-08 INR-07 NSAE-00 CIEP-01 FAA-00 L-03
TRSE-00 XMB-02 OMB-01 FRB-03 SS-15 NSC-05 PRS-01
NSCE-00 SSO-00 USIE-00 INRE-00 /069 R

DRAFTED BY AF/W:GADIES:LFS
APPROVED BY AF/W:TWMSMITH
EUR/NE:JPSHUMATE (SUBS)
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O P 222017Z FEB 77
FM SECSTATE WASHDC
TO AMEMBASSY LONDON IMMEDIATE
INFO AMEMBASSY OUAGADOUGOU PRIORITY

C O N F I D E N T I A L STATE 039412

FOR DENNIS SANDBERG

E.O. 11652: GDS

TAGS: BEXP, UV, US

SUBJECT: PAN AFRICAN AIR INDUSTRIES (PAAI)

REF: LONDON 2688

1. GENERAL JOSEPH BARRON (USAF-RET), PAAI STOCKHOLDER, CONTACTED DEPARTMENT FROM GENEVA FEBRUARY 22 WITH FOLLOWING INFORMATION. ON FEBRUARY 21, PAAI PRINCIPAL SHAREHOLDERS ALBERT PAXTON, PRESIDENT OF PAXTON VAN LINES, AND BARRON WERE INFORMED BY MIDLAND BANK THAT IT NO LONGER AGREED TO FINANCE PURCHASE OF TEN BELFAST AIRCRAFT (REPORTED REFTEL) ON ITS OWN. MIDLAND BANK ASKED THAT PAAI ARRANGE FOR ANOTHER BANK TO PARTICIPATE. PAAI SHAREHOLDERS NOW ACTIVELY EXPLORING POSSIBILITIES OF ALTERNATIVE FINANCING
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ARRANGEMENTS THROUGH THEIR EUROPEAN CONTACT, PIERRE MARRIOTTE OF GENEVA. BARRON CONFIDENT THAT FINANCING WOULD BE SECURED BY MARRIOTTE IN VERY NEAR FUTURE, PROBABLY WITHOUT MIDLAND BANK INVOLVEMENT.

2. HOWEVER, PAAI IS DUE TO DEPOSIT POUNDS ONE MILLION TOMORROW (FEBRUARY 23) WITH UK MINISTRY OF DEFENSE (MOD)

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AGAINST PURCHASE OF BELFASTS. BARRON ASKED THAT DEPART-
MENT/AMEMBASSY LONDON SUPPORT PAAI REQUEST TO MOD FOR
GRANT 15-DAY EXTENSION OF THIS DEADLINE.

3. ACTION REQUESTED: EMBASSY LONDON SHOULD SUGGEST TO MOD
THAT FLEXIBILITY ON FEBRUARY 23 DEADLINE MAY BE ADVISABLE
GIVEN APPARENT CHANGE AT LAST MOMENT IN MIDLAND'S POSITION
AND AS MOST LIKELY TO RESULT IN TIMELY PAYMENT BY PAAI.
EMBASSY LONDON COULD CITE CONFIDENCE OF PAAI PRESIDENT
(FYI: CORROBORATED BY EMBASSY OUAGA. END FYI.) THAT
UPPER VOLTAN GOVERNMENT ON BRINK OF SIGNING LONG-TERM PAAI
CONTRACT, THAT WILL UNDOUBTEDLY UNBLOCK FURTHER SOURCES OF
FINANCING. PAAI DIFFICULTIES ARE SEVERE IN THE NEAR
FUTURE, BUT CHANCES ARE GOOD THAT THEY WILL HAVE NO FURTHER
MAJOR FINANCIAL PROBLEMS ONCE CONTRACT WITH GOUV IS SIGNED.
(NOTE: UK EMBASSY MILATT SUGGESTS BEST POINT OF CONTACT
IN MOD FOR EMBASSY APPROACH WOULD BE MR. JED STUART,
ASSISTANT UNDER SECRETARY FOR ADMINISTRATION/SALES. IF
UNAVAILABLE, NEXT PERSON WOULD BE MR. DAVID DUFFUS, DIREC-
TOR FOR SALES (NORTH AMERICA). BOTH ARE IN MOD/LONDON).

4. GENERAL BARRON AND MR. ALBERT PAXTON PLAN RETURN
LONDON FEBRUARY 23. THEY WILL CONTACT DENNIS SANDBERG IN
EMBASSY TO DETERMINE IF MOD IS AGREEABLE TO 15-DAY EXTEN-
SION.
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TO AMEMBASSY ABIDJAN

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QUOTE C O N F I D E N T I A L STATE 039412

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TAGS: BEXP, UV, US

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ACTIVELY EXPLORING POSSIBILITIES OF ALTERNATIVE FINANCING ARRANGEMENTS THROUGH THEIR EUROPEAN CONTACT, PIERRE MARRIOTTE OF GENEVA. BARRON CONFIDENT THAT FINANCING WOULD BE SECURED BY MARRIOTTE IN VERY NEAR FUTURE, PROBABLY WITHOUT MIDLAND BANK INVOLVEMENT.

2. HOWEVER, PAAI IS DUE TO DEPOSIT POUNDS ONE MILLION TOMORROW (FEBRUARY 23) WITH UK MINISTRY OF DEFENSE (MOD) AGAINST PURCHASE OF BELFASTS. BARRON ASKED THAT DEPARTMENT/AMEMBASSY LONDON SUPPORT PAAI REQUEST TO MOD FOR GRANT 15-DAY EXTENSION OF THIS DEADLINE.

3. ACTION REQUESTED: EMBASSY LONDON SHOULD SUGGEST TO MOD THAT FLEXIBILITY ON FEBRUARY 23 DEADLINE MAY BE ADVISABLE GIVEN APPARENT CHANGE AT LAST MOMENT IN MIDLAND'S POSITION AND AS MOST LIKELY TO RESULT IN TIMELY PAYMENT BY PAAI. EMBASSY LONDON COULD CITE CONFIDENCE OF PAAI PRESIDENT (FYI: CORROBORATED BY EMBASSY OUAGA. END FYI.) THAT UPPER VOLTAN GOVERNMENT ON BRINK OF SIGNING LONG-TERM PAAI CONTRACT, THAT WILL UNDOUBTEDLY UNBLOCK FURTHER SOURCES OF FINANCING. PAAI DIFFICULTIES ARE SEVERE IN THE NEAR FUTURE, BUT CHANCES ARE GOOD THAT THEY WILL HAVE NO FURTHER MAJOR FINANCIAL PROBLEMS ONCE CONTRACT WITH GOUV IS SIGNED. (NOTE: UK EMBASSY MILATT SUGGESTS BEST POINT OF CONTACT IN MOD FOR EMBASSY APPROACH WOULD BE MR. JED STUART, ASSISTANT UNDER SECRETARY FOR ADMINISTRATION/SALES. IF UNAVAILABLE, NEXT PERSON WOULD BE MR. DAVID DUFFUS, DIREC-

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4. GENERAL BARRON AND MR. ALBERT PAXTON PLAN RETURN LONDON FEBRUARY 23. THEY WILL CONTACT DENNIS SANDBERG IN EMBASSY TO DETERMINE IF MOD IS AGREEABLE TO 15-DAY EXTENSION.
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Message Attributes

Automatic Decaptioning: X
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Concepts: n/a
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Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
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Executive Order: GS
Errors: N/A
Expiration:
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Handling Restrictions: n/a
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Previous Handling Restrictions: n/a
Reference: 77 LONDON 2688
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Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3263085
Secure: OPEN
Status: NATIVE
Subject: PAN AFRICAN AIR INDUSTRIES (PAAI)
TAGS: BEXP, UV, US
To: LONDON
Type: TE
vdkvgwkey: odbc://SAS/SAS.dbo.SAS_Docs/55e660c3-c288-dd11-92da-001cc4696bcc
Review Markings:
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